

## **KENTUCKY HEALTH BENEFIT EXCHANGE ADVISORY BOARD**

### **Small Employer Health Options Program (SHOP) Subcommittee**

#### **Meeting Minutes**

**June 13, 2013**

#### **Call to Order and Roll Call**

The SHOP Subcommittee held its tenth meeting on Thursday, June 13, 2013, at 1:30 p.m. in the Small Conference Room at the Office of the Kentucky Health Benefit Exchange (KHBE). Carrie Banahan, Executive Director, Office of the Kentucky Health Exchange, on behalf of Jeffrey Bringardner, Chair, called the meeting to order at 1:30 p.m., and the Secretary called the roll.

Subcommittee Members Present: Jeffrey Bringardner (by phone), Wayne Barber, Dr. Richard Broeg (by phone), Paul Brophy (by phone), Edward Erway, Carl Felix (by phone), Shelley Gast (by phone), Jan Gould, and Bob Weiss.

Staff Present: Carrie Banahan, Chris Clark, Reina Diaz-Dempsey, Miriam Fordham, Wanda Fowler, William Nold, Vanessa Petrey, Sherilyn Redmon, Brian Staples (DOI), and Chandra Venettozzi.

#### **Approval of Minutes**

A motion was made to accept the minutes of the May 9, 2013, meeting as submitted, seconded, and approved by voice vote.

#### **Exchange Updates**

Carrie Banahan, Executive Director, Office of the Kentucky Health Benefit Exchange (KHBE), updated the members on recent developments with the Exchange. A kynector-In-Person Assister Program Request for Proposal (RFP) was released last week and responses are due by July 3, 2013. The KHBE hopes to award contracts by August 2013 with training taking place in August and September.

In addition to the SHOP administrative regulation, the Exchange has several other regulations in progress. An eligibility and enrollment regulation will be filed later this month as an emergency regulation. The KHBE anticipates the release of a final rule by the U.S. Department of Health and Human Services (HHS) on July 21, 2013, that will finalize some of the proposed rules on eligibility and appeals. The KHBE also plans to file an agent regulation and a consumer assistance program and kynector certification regulation within the next two weeks.

The KHBE is also working on several administrative regulations on appeals, including individual appeals, employer and employee Appeals in the SHOP, employer appeals of Advanced Payment of Premium Tax Credits, and exemption appeals. The KHBE will contract with the Cabinet for Health and Family Services, Division of Administrative Hearings, to conduct hearings for the

Exchange. All of the draft administrative regulations are posted on the KHBE website, and the KHBE is accepting comments on the draft regulations.

### **SHOP Regulation**

The SHOP administrative regulation was filed as an emergency regulation earlier in the month. The SHOP regulation will be posted for public comments on July 1, 2013. Comments will be received through July and the regulation should go before the Administrative Regulation Review Subcommittee in August. The emergency regulation filed this month is in effect and will remain in effect until the ordinary regulation is adopted.

### **Reinstatement of Employers for Non-Payment of Premiums**

The current SHOP regulation does not address reinstatement of employers for non-payment of premiums. Ms. Banahan briefed the subcommittee members on reinstatement policies in other states. The KHBE has not made any decisions on this issue. The members discussed options and the effect of a reinstatement policy on both the employer and employee.

A motion was made that the SHOP adopt as its reinstatement policy the following: An employer shall be allowed one reinstatement per coverage year, not to exceed 30 days, with all default payments and payments for the following month to be paid at the time of reinstatement. The motion was seconded and approved by voice vote.

### **New Hires and 90-Day Waiting Period**

The KHBE has found that there are some issues with the Exchange information technology (IT) system in the implementation of a policy regarding new hires and a 90-day waiting period. KHBE staff briefed the subcommittee on the current IT system design. Under the new Internal Revenue Service (IRS) rules, an employer cannot have a waiting period of more than 90 days. The new IRS rules are a slight change from current policy that allows more than 90 days for the waiting period. Employers may need to be educated on the new IRS policy regarding the waiting period.

The KHBE requested input from the members on the current practice among employers of adding employees to the employer roster. The subcommittee recommended that the Exchange require the employer to provide the effective date for new hires and that the effective date take into consideration the 90-day maximum waiting period. This will require a system change because the current IT system design does not support this functionality.

### **Other Business**

The next meeting of the subcommittee was scheduled for Thursday, August 15, 2013, at 1:30 p.m. in the Small Conference Room at the Office of the Kentucky Health Benefit Exchange. This meeting was cancelled and rescheduled for Tuesday, September 10, 2013, at 1:30 p.m.

### **Adjournment**

The meeting was adjourned at 2:25 p.m.